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Funding for Manitoba Announced Under Community Development Trust

The Honourable Jim Flaherty, Minister of Finance, was joined today by the Honourable Gary Doer, Premier of Manitoba, to announce that the Government of Canada will provide Manitoba with $41.9 million as part of the new national Community Development Trust.

The announcement was made at the Palliser Furniture manufacturing facility in Winnipeg.

The Government of Canada is creating the trust to help provinces and territories assist communities and workers suffering economic hardship caused by the current volatility in global financial and commodities markets.

"Our government is standing shoulder to shoulder with workers and their families here in Manitoba and throughout Canada during this time of economic uncertainty," said Minister Flaherty. "The national Community Development Trust complements our tax relief and many other initiatives designed to support our manufacturing and processing sector."

"The Conservative government is proud to invest in Manitoba communities, both large and small," said the Honourable Vic Toews, President of the Treasury Board and Regional Minister for Manitoba. "The Community Development Trust will help Manitoba families adjust to economic challenges and keep communities on a solid economic footing."

The Province of Manitoba also announced today that it will provide comparable funding in the priority areas that the trust will target.

"Manitoba's economy is doing well and this new national trust will help us be proactive in addressing the challenges being faced in certain sectors," Premier Doer said. "As a provincial government, we will also be making similar investments in these areas in order to maximize the benefits to Manitobans."

Priorities for funding from the Community Development Trust and the Province of Manitoba include:

- Assistance to livestock producers and a strategy to deal with the potential impact of Country of Origin Labeling.
- Investment in infrastructure and training to support increased hog processing capacity within Manitoba.
- Training and support for northern and Aboriginal communities to address challenges and opportunities in resource-based economies.
- Measures to help address the consequences of challenges, including the high Canadian dollar, faced by manufacturers and exporters.

The Government of Manitoba has agreed to respect Canada's obligations under the North American Free Trade Agreement, the Canada-United States Softwood Lumber Agreement and the World Trade Organization in administering its portion of the trust funding.

The Community Development Trust will be funded with $1 billion from the projected 2007–08 budgetary surplus. The trust will have a three-year lifespan.

The Community Development Trust complements several measures introduced by the Government of Canada in Budget 2008 to support the manufacturing and processing sector, including:

- An additional $1 billion in federal tax relief, including almost $20 million for Manitoba manufacturers, by extending accelerated capital cost allowance treatment for three years. This initiative allows manufacturing businesses to write off investments in machinery and equipment more quickly. The Government of Manitoba will also provide an additional $16 million in tax savings for Manitoba manufacturers through this initiative.
- An additional $90 million to extend the Targeted Initiative for Older Workers.
- A $250-million Automotive Innovation Fund. This money will fuel the development of greener and more fuel-efficient vehicles.

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